

## CHAPTER 99. INTERNATIONAL FIELD OFFICE PROCEDURES FOR PARTICIPATING IN FOREIGN NATIONAL AVIATION AUTHORITIES INTERNAL QUALITY AUDITS AND SAMPLE SURVEILLANCE OF REPAIR STATIONS UNDER A BASA/MIP

### SECTION 1. BACKGROUND

#### 1. PROGRAM TRACKING AND REPORTING SUBSYSTEM (PTRS) ACTIVITY CODES.

A. *Maintenance*: 3045, 3650, 3679

B. *Avionics*: 5045, 5650, 5679

**3. OBJECTIVE.** This chapter describes the requirements and procedures necessary for the Federal Aviation Administration (FAA) to effectively and efficiently participate as observers in National Aviation Authority (NAA) internal quality audits and conduct sampling surveillance of FAA-certificated repair stations located outside the territory of the United States in accordance with (IAW) the Maintenance Implementation Procedures (MIP) of a Bilateral Aviation Safety Agreement (BASA). The Flight Standards Service (AFS) will list the status of countries on the electronic bulletin boards at <<http://faa.gov/avr/afs/300/leonrs.htm>> and/or the Aircraft Certification Service (AIR) website at <[http://www.faa.gov/certification/aircraft/BAA-BASA\\_Listing.stm](http://www.faa.gov/certification/aircraft/BAA-BASA_Listing.stm)>.

**NOTE:** Implementation Procedures (IP) are inclusive and cover Simulator Implementation Procedures (SIP), MIPs, and IPs Airworthiness.

**5. GENERAL.** Initial certification requirements under a BASA/MIP are in FAA Order 8300.10,

Airworthiness Inspector's Handbook, vol. 2, chapter 170 and advisory circular (AC) 145-7, as revised, Issuance of Repair Station Certificates to Foreign Approved Maintenance Organizations Under the Maintenance Implementation Procedures of a Bilateral Aviation Safety Agreement. Procedures for renewal/amendment of an FAA-certificated foreign repair station under a BASA/MIP are in vol. 2, chapter 171 and AC 145-7, as revised. FAA procedures for turnover of repair stations to a BASA/MIP NAA are in vol. 2, chapter 172.

#### 7. BACKGROUND.

A. FAA-certificated repair stations located outside the United States under the provisions of Title 14 of the Code of Federal Regulations (14 CFR) part 145 foreign repair stations, respond to the need to perform maintenance on or alteration/modification to aeronautical products subject to U.S. airworthiness regulations in foreign countries.

**NOTE:** See FAA Order 8300.10, vol. 2, chapter 170, section 1, for additional general information, definitions, and acronyms.

B. The FAA developed unique policies pertaining specifically to foreign repair stations that are applicable under a BASA/MIP. These policies are located in AC 145-7, as revised.

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## SECTION 2. PROCEDURES

### 1. PREREQUISITES AND COORDINATION REQUIREMENTS.

#### A. Prerequisites:

- Knowledge of the regulatory requirements of 14 CFR parts 43 and 145
- Successful completion of the Airworthiness Inspector's Indoctrination Course or equivalent
- Previous experience with certification or surveillance of part 145 repair stations
- Completion of FAA-approved computer-based instruction training course, number 27012, when implemented
- Successful completion of the Certificated Foreign Repair Station (CFRS) course, number 22601 or equivalent

*B. Coordination.* This task requires coordination with:

- The applicant's Approved Maintenance Organization (AMO)
- The NAA of the country in which the applicant AMO is located
- FAA Headquarters, AFS-50/300

### 3. REFERENCES, FORMS, AND JOB AIDS.

#### A. References:

- 14 CFR parts 43 and 145
- FAA Order 8300.10, Airworthiness Inspector's Handbook, vol. 2, chapters 161, 163, 164, 165, 170, 171, and 172
- AC 145-7, as revised, Issuance of Repair Station Certificates to Approved Maintenance Organizations Under the Maintenance Implementation Procedures of a Bilateral Aviation Safety Agreement

#### B. Forms:

- FAA Form 8000-4, Air Agency Certificate
- FAA Form 8000-4-1, Repair Station Operations Specifications, or Automated Repair Station Operations Specifications
- FAA Form 8310-3, Application for Repair Station Certificate and/or Rating
- NAA approval certificate and operation specifications/document defining the AMO's limitations (in the case of the Joint

Aviation Authorities, JAA Form 3, Approval Certificate and Approval Schedule)

- In some cases, the NAA has approved procedures for the AMO to make changes to its limitations or approved the use of a Capabilities List (CL) (See vol. 2, chapter 170 for a description of a CL or see AC 145-7, as revised, for scope and details)
- NAA surveillance/inspection report (or in the case of the JAA, FAA Annex to JAA Form 6) and recommendation for FAA certification/renewal/amendment
- NAA internal evaluation report (in the case of the JAA, JAA Form 7, Maintenance Airworthiness Standardization Team (MAST) Visit Report)

#### C. Job Aids. None.

### 5. FAA SURVEILLANCE RESPONSIBILITIES AND PROCEDURES OF REPAIR STATIONS UNDER A BASA/MIP.

*A. Independent Sampling Inspections.* In conjunction with the NAA, the FAA may perform inspections of a representative sample of AMOs located in countries that have concluded a BASA/MIP with the United States. The International Field Office (IFO) should plan a maximum of 10 percent yearly sampling inspections of AMOs that have been turned over IAW BASA/MIP in cooperation with the NAA. The IFO should work closely with the NAA in developing an annual audit sampling schedule. The focus of an FAA inspection will be centered on compliance with the MIP FAA Special Conditions.

*B. FAA Independent Inspections.* In exceptional circumstances, the FAA may carry out independent inspections, should the need arise. These inspections may be related to accident/incident investigations or compliance and enforcement investigations. The FAA should notify the NAA of the independent inspection and request the NAA's participation.

*C. FAA Participation in JAA/NAA.* The FAA will also participate in NAA regional and headquarters audits to validate the NAA's ability to ensure compliance with the MIP (in the case of the JAA, this would be JAA MAST).

D. The FAA IFO manager will make the final determination on the number of AMOs to be inspected within the countries that have signed a BASA/MIP or will delegate this responsibility to an appropriate person within the office. The manager/delegate also will determine the scope and complexity of FAA surveillance activity using the most recent appropriate NAA surveillance form that includes FAA Special Conditions (in the case of the JAA, FAA Annex to JAA Form 6) or FAA/NAA-accepted equivalent documentation received from the NAA on the AMOs to be inspected. The manager/delegate also will determine the size and composition of any inspection team and may appoint a team leader, if necessary.

E. The team leader/inspector should invite the NAA principal maintenance inspector or principal avionics inspector and a representative from the NAA regional and/or headquarters office to participate in the inspection. This is normally accomplished by submitting to the NAA headquarter contact/coordinator a written yearly (suggested) schedule of activities, dates, times, and places of AMOs to be inspected. It is recommended that the NAA coordinator establish a schedule with the associated NAA principal inspector to accommodate the FAA team during its normal scheduled visits to the selected AMO. The FAA wishes to work with the NAA, using their normal surveillance schedule. This avoids duplication of effort and redundant inspections. The FAA team leader/inspector may request NAA assistance for travel information, recommendations for hotel accommodations, or any additional information needed to schedule the inspection. At the conclusion of the sampling inspection, time should be allocated to brief the NAA inspector as well as the NAA headquarters/regional management personnel, as appropriate.

**NOTE: If the NAA is willing, the FAA may submit a list of repair stations to be visited, and the NAA may develop the itinerary and schedule. In most cases this is a more efficient and effective method of accomplishing this task.**

F. *Fees.* The AMO will be advised that any applicable fees will be calculated IAW AC 187-1, Flight Standards Service Schedule of Charges Outside the United States. This inspection function is considered to be a sampling inspection of the AMO certificate and the fees should be calculated using

inspection time, travel, and per diem expenses as well as other expenses identified in AC 187-1.

G. The inspector/team leader may inform the AMO to be visited of the time and date of the FAA inspection. It is FAA policy to advise the organization to be visited in order to ensure the correct management personnel are available during the inspection. The team leader/inspector may request NAA assistance in scheduling the inspection in order to ensure NAA participation (see item E above). The FAA team leader may adjust the date and time of the visit to accommodate the availability of the AMO's management; however, the FAA's time is valuable also, and if rescheduling the inspection requires a major inconvenience to the FAA, the date and time selected by the team leader/inspector will prevail. The AMO management may appoint other people to represent them. The IFO is expected to be familiar with local holidays as well as local customs and should make every effort to accommodate the AMO being visited.

(1) IAW the MIP, FAA may request the manual supplement through the NAA before the inspection.

(2) The NAA on request should provide FAA with a copy of the AMO's FAA manual supplement in English before doing the inspection (or make arrangements to review the FAA manual supplement at the NAA or AMO's office before doing the inspection). In most cases, it would be more appropriate to review the manual supplement at the AMO or on site at the NAA office to avoid shipping the manual supplement from site to site. Time should be allocated to accomplish this at the appropriate site.

(3) The NAA is required to retain a copy of the FAA certification/renewal package for a 2-year period. The FAA should review this package and confirm a statement of continuing need to maintain or alter U.S.-registered aircraft and/or aeronautical products being installed on U.S.-registered aircraft (see AC 145-7, as revised).

(4) A review of the NAA's last appropriate surveillance form that includes the FAA Special Conditions should be conducted. This may be the entire form used for surveillance and not just the FAA Annex to the form (in the case of the JAA, JAA Form 6). The MIP requires the NAA to make this form available to the FAA on request. Ample time should be allowed for the NAA to provide the form before the FAA inspection. It may be more convenient

and efficient to review the surveillance form at the NAA office at the same time the manual review takes place.

(5) The FAA IFO responsible for certificate oversight of any AMO with noted deficiencies will work with the NAA (JAA) to ensure the AMO develops a plan for corrective action that is acceptable to the authorities involved.

*H. Ensure that the NAA Understands Finding/Discrepancy Reporting Requirements.* The MIP provides FAA with the authority to recognize the corrective action of the NAA without additional FAA action. The NAA inspector must provide FAA with a recommendation on the appropriate surveillance form indicating any of the findings/discrepancies listed below. When the NAA findings/discrepancies have been corrected or a plan for corrective action has been accepted by the NAA, any enforcement action being taken by the NAA as a result of the findings/discrepancies will not affect the recommendation. The plan for corrective action must be attached to the appropriate surveillance form when submitted to the FAA. The following are reportable issues that should be described on the NAA surveillance form:

(1) Serious failure to comply with national regulations and requirements (in the case of the JAA, Joint Aviation Requirements (JAR) 145).

(2) Overall failure to comply with FAA Special Conditions identified in the MIP and AC 145-7, as revised.

(3) Failure to use FAA-approved data forms for major repairs/alterations/modifications.

(4) Failure of the repair station to maintain a working quality control system (in the case of the JAA, JAA-approved Quality Monitoring System (QMS)) or internal self-audit system.

#### *I. Non-Recommendation.*

(1) The NAA should provide the FAA with a non-recommendation when the NAA has found significant safety issues using the criteria above and corrective action has not been taken or a plan for corrective action has not been accepted by the NAA. The FAA may elect to not renew or amend a repair station certificate until corrective action has taken place or a plan for corrective action has been approved

by the NAA and submitted with the appropriate surveillance form.

(2) The FAA and the NAA each will retain the right to take separate enforcement action, but in some cases, an authority may choose to consider a remedial action taken by the other authority. The enforcement consultation process under the BASA/MIP procedures will be subject to a regular joint review by the FAA and the NAA (in the case of MAST visits, the JAA). (MIP section 5.1.)

*J. Review Before Inspection.* The FAA team or inspector should review the FAA Manual Supplement before the inspection. The supplement should comply with the appropriate portions of the sample supplement in AC 145-7, as revised. If any deficiencies are noted they should be listed as a finding on the final report, of which a copy will be given to the NAA.

(1) A standard approach to performing inspections of AMOs/CFRSs consists of requesting the appropriate technical person of the AMO, normally the quality manager or a person responsible for final return to service, to accompany the team on the surveillance of the facility. As part of this inspection, the team should become familiar with the organization's process. It is beneficial to request the organization to walk one or more component/aeronautical products from incoming or receiving inspection through each step of the maintenance process. The FAA team should observe the inspection techniques, repair techniques, testing procedures, final inspection, return to service, and the data used to perform these functions. This is a sampling inspection and each shop in an organization need not be visited. The FAA is verifying through the review of the system that the organization is in compliance with the MIP. During the inspection, the following items should be observed and noted:

(a) Observe the documentation being used (i.e., work cards), noting if the document contains a reference to the manufacturer's manual, air carrier's manual, or other FAA-acceptable data. Normally, the FAA would expect the actual work documents to be in the national language. However, the work card should have a reference to an English language version of the manual that the work card was derived from. The team should also request that the organization interpret the work document and make a comparison to the English version.

(b) Note the calibration of equipment to ensure that the organization has a calibration procedure and is following that procedure.

(c) Ask if the same procedures are used when working under the CFRS certificate.

(d) Note whether the organization has all of the necessary tools and equipment to perform the tasks that it is rated for. This is a sampling, and several tools should be looked at to confirm that they are in good working order and properly maintained.

(e) Include a visit to the organization's tool room and material storage areas. The FAA team should observe that tools and materials are properly stored and in a condition for use.

(f) Observe the handling of the products from station to station, noting whether proper contamination protections are applied.

(g) Include a visit to the organization's stock room to ensure that the products are properly identified, segregated, and protected from contamination and handling damage. Procedures for expiration dates of life-limited products should be confirmed and observed as appropriate.

(2) At the conclusion of the inspection, the following should take place:

(a) The team members, including the NAA representative, should privately discuss their findings and recommendations. This should be an open discussion informing the NAA representative and team members of the inspection results. Any disagreements should be resolved during the private discussions. This will avoid any lengthy discussions and conflicts when briefing the AMO management.

(b) Any questions or concerns the FAA team has noted should be discussed with the appropriate management personnel. This will allow the organization's management time to respond if additional research is needed before the team departs.

**NOTE: The above items represent only a few of the areas that should be observed and are not intended to limit the inspector's observation. It also should be noted that many of the areas intended to serve as a reminder are addressed in (3) and (4) below and can also be addressed during the inspection.**

(3) The FAA inspection should focus on no more than three of the specific areas described below. The inspection should be limited to 2 days at the facility, depending on the size of the organization. This is a sampling inspection to ensure that the organization and the NAA are applying FAA Special Conditions

IAW AC 145-7, as revised. The team should use the following inspection items as a guide and select 2 or 3 items to focus on in the inspection. Not all areas need to be covered at each AMO.

(4) It is preferred that the focus change with each AMO visited to provide FAA with an overall annual picture on the compliance posture of the MIP country. Some MIP countries require a QMS/internal audit system. These systems are inclusive in the MIP and are considered part of a quality control system.

(a) Sample the QMS/internal audit system and verify that the FAA Special Conditions are contained in the QMS.

(b) Ensure that the QMS is completed annually (in the case of the JAA, IAW JAA requirements).

(c) Ensure that the QMS has a follow-up action procedure for findings. It may be necessary to review findings and/or corrective actions to confirm that the system is working. The objective and benefit of the QMS is for the AMO to find and correct discrepancies in the AMO's operations before the FAA or NAA finds the problems. This is considered proprietary information, and 14 CFR violations should not be pursued based on the QMS findings.

*K. FAA-Approved Data and Airworthiness Directives (AD).* Ensure that only FAA-approved data and/or FAA ADs are used when the organization is working on aeronautical products to be installed on U.S.-registered aircraft. Also, sample the shops to ensure that the data is available to the personnel performing the task. It is important to note that some organizations convert the AD into work cards or work orders. This is acceptable, as long as the documents are traceable to the AD. (Ref. AC 145-7, as revised.) (In the case of the JAA, JAR section 145.45 has similar requirements and can be found acceptable when FAA-approved data is identified on the records.)

*L. Compliance with Air Carrier's Maintenance Program.* A sampling of the organization's manuals should include a review of the organization's procedures to ensure compliance with the appropriate portions of the air carrier's maintenance program. The organization is only required to have the air carrier's maintenance program applicable to the work it performs. (Ref. appendix 2 of AC 145-7, as revised.) It is also important to note that the NAA has similar requirements that require the AMO to perform the work IAW the customer's work order. (In the case of

the JAA, JAR 145.65 has a similar requirement. Therefore, if the AMO can show it meets the JAR, it should meet this requirement of the MIP.)

*M. Required Inspection Items (RII).* A review of the personnel training records should indicate that the organization has a qualified RII inspector trained by the air carrier. Review the organization's procedures to validate if the organization has requested RII training from the air carrier when necessary. (Ref. appendix 2 of AC 145-7, as revised.) Also, ensure that the qualified RII inspector reports to the quality control organization and not the production organization.

*N. Contracting/Subcontracting.* Review the list of organizations that the facility uses to perform subcontracting work on its behalf. Ensure compliance with AC 145-7, as revised. It is important to note that the JAA authorizes the AMO to appoint a representative to act on the AMO's behalf at a non-certificated source as long as the AMO has that person under their QMS system. This practice is not recognized by the FAA, and the inspector should ensure that this practice is not performed on aeronautical products being maintained or altered for use on U.S.-registered aircraft. The AMO should also have records of audits (QMS) relating to auditing its contractor/subcontractors. A sampling of these records should be reviewed to ensure they meet the requirements of their QMS. (In some cases, the NAA's subcontracting requirements are different (see AC 145-7, as revised). Therefore, on the AMO's list of subcontractors, the subcontractors used for the FAA repair station should be identified differently.)

*O. Approval for Return to Service.* The inspector should review records and ensure that when the appropriate NAA/AMO return to service document is used (in the case of the JAA, JAA Form One) for aeronautical products to be installed on U.S.-registered aircraft, it contains the appropriate statement that includes the FAA repair station certificate number. All the appropriate information should be contained on the form or attachments; i.e., FAA Form 337. (Ref. appendix 2 of AC 145-7, as revised.)

*P. Receiving Inspection.* A sampling of the organization's incoming inspection procedures should be observed to ensure compliance with appendix 2 of AC 145-7, as revised.

*Q. Qualified Personnel Requirements.* A review of personnel records should validate that the organization

complies with appendix 2 of AC 145-7, as revised. The inspector should observe a sampling of a final inspection and a return to service to verify whether the personnel responsible for final inspection and return to service can read, write, and understand English for aeronautical products that are intended to be installed on U.S.-registered aircraft. The review of the organization's personnel records should also identify the RII-qualified personnel and indicate whether the air carrier has provided the RII training.

*R. Equipment and Material.* During the inspection of the shops, the inspector should visually note if the AMO has the appropriate equipment and material for the tasks they are rated for. (Ref. appendix 2 of AC 145-7, as revised.)

*S. Major Repair and Alterations.* The inspector should sample records to ensure that major repairs and/or alterations applied to aeronautical products intended for use on U.S.-registered aircraft have the appropriate reference to FAA-approved data. This can also be accomplished while reviewing return to service documents. The inspector should verify that the AMO has the data on hand at the facility by reviewing at least one document that indicates it is FAA-approved (Supplemental Type Certificate, Structural Repair Manual, etc.). (Ref. appendix 2 of AC 145-7, as revised.)

*T. Reporting Unairworthy Conditions to the FAA.* The inspector should verify, by sampling records of reports, that the AMO has a system for reporting unairworthy conditions to the FAA. (In the case of the JAA/NAA, the JAR 145.60 requires the AMO to report unairworthy conditions to the authority for U.S.-registered aircraft.) If in some cases the AMO reports the finding to the NAA and, in turn, the NAA notifies FAA, this is an acceptable means of compliance. The rule's intent is that the FAA receive the correct information; it is not concerned with the information's format. (Ref. appendix 2 of AC 145-7, as revised.)

*U. Hidden Damage Inspection.* The inspector can observe this requirement while observing or receiving inspection procedures and, if possible, following a part through the system. (Ref. appendix 2 of AC 145-7, as revised.)

*V. Display of FAA Certificate.* The FAA certificate should be located in a place of public view. (Not required after April 2003.)

*W. Advertising an FAA Certificate.* Ensure that the AMO has a procedure that complies with appendix 2 of AC 145-7, as revised.

*X. Suspected Unapproved Parts (SUP).*

This function may also be observed during review and observation of incoming inspection techniques. The inspector should ensure that the AMO has established a process for reporting SUPs. (In the case of the JAA, JAR 145.60 also contains a requirement for reporting SUPs. Although not specifically identified as SUPs, JAR 145.60 relates to the same criteria for reporting.) This also can be verified while reviewing compliance for reporting of unairworthy conditions identified above.

*Y.* In the case of an airframe-rated AMO that has been rated for an entire aircraft, a different approach would be taken. There would be some additional areas to be covered, such as work away from the facility, geographic authorizations, or line stations within the MIP country. In these instances, a review of the AMO's QMS to ensure that these areas are covered in the AMO's annual audits should be sufficient; however, a visit to 1 or 2 line stations may be necessary to confirm compliance.

**7. BRIEF THE NAA AND FINAL REPORT/ ENFORCEMENT.** On completion of each AMO inspection, the inspector or team leader will brief the AMO and the NAA inspectors and inform the AMO and NAA of any findings. The inspector or team leader also will provide the AMO and the NAA with an appropriate period of time to ensure any deficiencies have been corrected. Any findings not disclosed during the AMO/NAA briefing will not be used as a finding in the final report.

*A. Briefing.* Appropriate NAA personnel should attend the briefing. In some cases, it may be the local office, regional office, or headquarters. This should be determined by the most cost-effective method. The briefing should disclose all findings and an open discussion between the FAA and the NAA should take place. This is a learning process for all concerned persons and should be approached with open minds. At the briefing, the FAA and NAA should agree to a time frame for the NAA to require corrective action by the AMO. This is a systems approach, and the NAA

should be given every opportunity to ensure that the AMO takes corrective action.

(1) Minor infractions (e.g., procedural, manual) should be listed as findings. The FAA expects the NAA to monitor the AMO for corrective action or, in some cases, the submission of a corrective action plan.

(2) The AMO is expected to provide the NAA and the FAA with a written response to each finding.

(3) Care must be given to respect the ability and national pride of the NAA in the final report and comment section. Factual information that can be established by physical evidence is the only acceptable information.

*B. Final Report.* If the inspector or team leader determines that a finding affects safety, section 4.6 of the MIP allows the FAA the freedom to recognize the enforcement capability of the NAA. Therefore, consideration must be given to any enforcement/ sanctions that the NAA has or is in the process of taking; care must be taken not to take additional action aside from remedial action such as a letter of corrections to acknowledge that the CFRS has been involved in an enforcement action. When a significant finding such as a safety of flight issue is noted, the FAA inspector or team leader will process the action IAW FAA Order 2150.3, Compliance and Enforcement Program, as revised. FAA enforcement action should be discussed with the NAA as an educational tool so that the NAA becomes familiar with what the FAA considers serious safety issues. (See vol. 2, chapter 171 for a description of the disposition of findings.)

**NOTE: The MIP provides the FAA with the ability to recognize the corrective action of the NAA without additional FAA action. This type of finding can be closed out by the FAA as "no action required," but the office will retain a record of the findings and corrective action for future reference. In the future, if the same findings continue to be reported, then the FAA should take appropriate action IAW FAA Order 2150.3, as revised.**

*C. Preparing the Report.* The inspector or team leader will prepare and maintain an inspection report in the operator's file and forward a copy to the NAA.



(1) Inspection final reports on each repair station should contain the name and address of the AMOs and the country visited.

(2) Attach a copy of the repair station certificates (includes FAA certificate number and rating) to the report.

(3) Identify FAA and NAA inspectors involved by name, position, and office address.

(4) Identify the NAA office where the certificate is held.

(5) Identify a sample of which U.S. customers the repair station is performing work for, if available.

(6) Identify areas inspected and a list of findings.

*D. Sampling Inspections/Findings.* An annual summary of all sampling inspections and findings within the MIP country should be sent to FAA headquarters, AFS-50/300. The inspector or team leader will also provide a comment section that will give an overall opinion of the process and the NAA's abilities to comply with the MIP. This will establish if the NAA work force will need additional training or guidance. This will also aid the FAA and the NAA in determining the effectiveness of each other's inspection techniques. The end result should establish continued confidence in the MIP process.

(1) If upon completion of the sampling inspection, the team/inspector verifies that there are some compliance concerns that involve safety issues, the team/inspector will notify the IFO manager and request a meeting with the management of the NAA to discuss any additional joint inspections that may be required to satisfy the concerns. Section 5.1 of the MIP provides for the FAA to conduct independent investigations as necessary.

(2) The inspector or team leader will file appropriate PTRS data sheets and input all appropriate Vital Information Subsystem (VIS) data. The FAA performs this surveillance IAW the MIP. This surveillance will be recorded in PTRS as code 3650/5650 using the appropriate comment codes.

(3) The FAA will advise the AMO of any applicable fees based on the fee schedule in AC 187-1, and will provide instructions for payment.

## **9. FAA PARTICIPATION AS OBSERVERS ON NAA INTERNAL AUDITS (OR IN THE CASE OF THE JAA, MAST VISITS).**

A. Most NAAs conduct internal assessments of their organization. The FAA will participate in the NAA internal evaluations following the procedures stated below. Internal evaluation visits (in the case of the JAA, MAST) are separate from the inspections discussed above and may provide valuable information to FAA inspectors. MAST and NAA teams will visit each regional and/or district office, as the situation warrants (in the case of the JAA, each JAA-member country), every 1 to 2 years to sample standards and application of the National regulations and guidance (JAR compliance by NAAs and AMOs). The team will normally visit a regional office and/or district office to evaluate the office's ability to implement the NAA and to ensure standard application. The team normally visits one or more AMOs under the supervision of the NAA regional and/or district office to ensure the AMO is being adequately inspected and the NAA offices are providing the AMO with assistance regarding NAA regulations and guidance. This process is conducted similar to an FAA field office or region evaluation. The internal audit process is generally a learning process for the FAA and the NAA. The FAA inspector must exercise caution during the visit. The NAA may not have procedures identical to the FAA; however, during the BASA/MIP evaluation process, the FAA deems whether the NAA process meets FAA needs. Any critique or discussion of an issue should be held in reserve until the team meets privately or at the out-briefing of the NAA. The FAA inspector should be advised of the many cultural differences and must exercise good judgment when an opinion is requested.

B. The FAA will continue to participate in NAA internal audits (in the case of the JAA, MAST visits as observers) because compliance with part 145 is based, in part, on compliance with NAA regulations and guidance (in the case of the JAA, JAR 145). The FAA IFO manager will appoint an inspector to participate in any NAA internal audit/MAST visits to a country that has concluded a BASA/MIP with the United States.

C. The FAA inspector assigned to an audit or MAST will:

(1) Contact the appropriate NAA team leader and request all pertinent information, i.e., contact

phone numbers, hotel arrangements, travel information, and itinerary for the audit.

(2) Attend all NAA in-briefings and out-briefings as necessary.

(3) Observe the NAA internal audit procedures (in the case of the JAA, MAST procedures) and document any deviations of the audit team from established procedures and any possible violations by any AMO inspected.

(4) Inform the NAA MAST at the out-briefing of any deviations from established procedures in the NAA internal audit MAST that were noted by the FAA and any possible violations by an AMO visited.

*D. Provide a report of findings to the FAA IFO manager, headquarters (AFS-50/300), and a copy to the JAA maintenance director. The report will contain:*

(1) An introduction identifying the NAAs participating in the audit MAST, the AMOs visited, and the names of the team members. This information can be provided using the NAA internal audit document (MAST team report—see JAA Form 7);

(2) NAA audits (MAST), which typically focus on a particular area during each visit to the AMO and NAA offices;

(3) Any observations made by the inspector; and

(4) An assessment of the NAA internal audit procedures by the inspector, including an assessment of its effectiveness.

## **11. TASK OUTCOMES AND NAA INTERNAL AUDIT PROCESS (JAA, MAST PROCESSES).**

*A. File PTRS Data Sheet.* The FAA inspector will file a PTRS data sheet and input VIS data for all tasks completed.

(1) When the NAA has performed the surveillance on behalf of the FAA, PTRS codes 3679/5679 must be used. The FAA inspector should use the comment codes for any significant comments when appropriate.

(2) When processing documentation (for example, reports, applications, JAA Form 6, FAA Annex to Form 6, and MAST reports (JAA Form 7)), PTRS codes 3045/5045 must be used. The FAA inspector should use the appropriate comment codes.

*B. Document Task.* The FAA inspector will file all supporting paperwork in the certificate holder's and/or applicant AMO's office file. In the case of MAST reports and other pertinent written communication with the NAA, each FAA IFO will establish an office file for each NAA in the FAA IFO's area of jurisdiction in which FAA has signed a BASA/MIP. All such communication will be retained in the FAA IFO's NAA file for a period of 5 years.